RAJYA SABHA

Thursday, the 23rd August, 2007/1 *Bhadrapada,* 1929 *(Saka)*

The House met at eleven of the clock,
MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

Misappropriation of funds by **NGOs**

*161. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of YOUTH AFFAIRS AND SPORTS be pleased to state:

(a) the specific reasons for which large number of NGOs, etc. have not submitted utilization certificates *vide* Ministry's Annual Report for the year 2006-07;

(b) whether any special efforts have been made to recover the amount running into hundreds of crores remaining un-accounted for years;

(c) whether Government have considered to file criminal cases against the defaulting parties for breach of trust and misappropriation of Government funds;

(d) whether the involvement of Ministry's officials in financial bungling has been investigated; and

(e) if so, the results thereof?

THE MINISTER OF YOUTH AFFAIRS AND SPORTS (SHRI MANI SHANKAR AIYAR): (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) to (e) The matter of a very large number of pending Utilization Certificates (UCs) has received due attention in the Ministry and concerted efforts have been made for liquidating the pending UCs. As a result, the number of UCs which stood at 10,576 amounting to Rs. 1233.4 crores in March, 2005 has been reduced to 7,235 UCs amounting to Rs. 143.72 crores in August, 2007.

The examination of the pending UCs reveals that the Ministry provides grants to a very large number of NGOs, based at the field level. They have limited capacity in terms of accounting procedure, documentation, and preparation of reports, etc. They have to seek assistance from others, including certified chartered accountants, to prepare the necessary documentation resulting in delay in the submission of the UCs. Further, a large numbers of educational institutions have

been given grants for developing sports infrastructure. The scheme has since been transferred to the State Governments and the UCs pertaining to these institutions are taken up in the Ministry.

The Ministry has also initiated serious discussions with the National Sports Federations for streamlining the procedure for grants and reducing the number of pending UCs. The grants-in-aid schemes for NGOs for youth and adolescents have been streamlined in 2005-06 providing a greater role to State Governments in terms of scrutiny, pre-appraisal and prioritization of NGO proposals for consideration by the Ministry. With effect from the current financial year, the transfer of funds through the electronic clearance system has been adopted and the sanctions are posted in the Ministry's website as well.

The Ministry has also launched a drive to reconcile the UCs in respect of grantee institution and NGO, who have received funds under the different scheme, of the Ministry in the past so as to enable the Ministry to arrive at the final position of pending UCs.

As regards legal action, Rule 209/211 of the General Financial Rules (GFR) provides that where the UC is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organization from any future grant, subsidy or other type of financial support from the Government. This fact should also be put on the website. In accordance with the provisions contained in GFR, no grants are released to any NGO against whom UC is pending except under exceptional circumstances such as sending a national team abroad. However, in such exceptional cases, adequate precautions are taken to ensure that funds are used prudently and strictly in accordance with the conditions laid down by the Ministry. Further, the list of black-listed NGOs has been placed on the website of the Ministry.

The Central Vigilance Commission (CVC) have investigated a complaint against some officials of the Ministry regarding their possible involvement in processing cases relating to grants to NGOs. After investigation, the Commission did not find any serious violation in the matter.

SHRI RAJEEV CHANDRASEKHAR: Sir, on a reading of the Annual Report of the Ministry, we see that the problem of non-compliance of utilization certificates seems quite serious. There is an amount of almost Rs. 251 crores shown in the Annual Report with UCs outstanding from various NGOs and Organisations. The most worrying about this is that over Rs. 90 crores out of these relate to the last few years, that is, from 2003 onwards. Further there is only one paragraph on the subject in the Annual Report which states, "Grants have been stopped to such organisations that have failed to submit the UCs." And I believe this is hardly any solution. Sir, my first supplementary to the hon. Minister is: What are the criteria which the Ministry follows for grants to NGOs and in selecting these NGOs? Also, can an individual, behind a defaulting NGO, apply for and receive grants through another NGO?

SHRI MAN1 SHANKAR AIYAR: Sir, we were under very strict instructions from the Ministry of Finance to totally deny any form of additional monies from the Government to NGOs whose pending UCs had not been cleared. But because we

settle down in a really significant way to clearing these pending utilisation certificates by obtaining as many as we could, and where there were certain differences of view between the Pay and Accounts Officer on the one hand and our own Ministry on the other in respect of information that had been supplied or not supplied, we have had very significant success as indicated in the answer itself to reducing, in terms of value, the number of these pending U.C.s. We brought it down from over Rs. 1200 crores in March, 2005, to Rs. 143 crores as of this month. But the numbers have not reduced significantly. The numbers have only gone down from about 10,500 to a little over 7,000. This clearly shows that we have succeeded in settling the large value pending U.C.s. But because the U.C.s pending go back to 1985, and many of them are very small value U.C.s, the process of getting it all cleared in respect of each one of them is a time-consuming one. But I think we can claim the credit for having made a very, very significant progress. Now in the light of this very significant progress that we did succeed in making, we succeeded in getting from the Ministry of Finance permission to start releasing grants, where there were special circumstances in 2006 such as the Doha Asian Games, and we have also succeeded in securing a distinction between those NGOs which have pending U.C.s after 2000 and those pending U.C.s before 2000. In cases where we succeeded in clearing the post-2000 U.C.s, we have been releasing grants. But for the pre-2000 U.C.s, we are still checking things out, and the improvement with regard to NSFs is, I think, something that we should draw attention to. When we started this exercise, every one of the 65 National Sports Federations had pending U.C.s. We have now reached a stage where 34 of these 65 have no pending U.C.s and 19 of them have no pending U.C.s after 2000. So, there are only 12 National Sports Federations who have pending U.C.s both pre and post-2000, some of which are under dispute. So, I think, we can say that systematically we are making a very significant progress. The NSFs and the 10A, in particular, do object to delays that take place in the release of grants to them. But there has been such massive financial impropriety, if not corruption, in the past that clearing up all that and compelling them to come on line has resulted in a certain element of dissatisfaction. But I think the House will agree with me that it is desirable that we should have financial propriety with respect to all NGOs including the National Sports Federation and the Indian Olympics Association.

SHRI RAJEEV CHANDRASEKHAR: Sir, my second supplementary is a question of a broader issue of principles. Does the Minister not think that the current regime of FCRA that regulates foreign donations to a number of genuine NGOs and makes it very difficult, should be re-examined given the fact that we have a number of NGOs, as we can see from the UCs, that are not complying when there are domestic donations?

SHRI MANI SHANKAR AIYAR: Sir, the question of FCRA and its application would have to be referred to the hon. Minister of Home Affairs.

SHRI RAVULA CHANDRA SEKAR REDDY: Sir, as far as the money released to NGOs is concerned, there is no mechanism of cross-verification at the district or the State level. You have a mechanism in rural development called the Vigilance and Monitoring Committee headed by the local MP, and all the local representatives are members of that body. I would like to know whether the

Minister is willing to refer all such matters to a body at the district level or the State level so that there can be cross-verification.

SHRI MANI SHANKAR AIYAR: Sir, the hon. Member is right that till some time ago there was no kind of checking by the State Government and we did discover, therefore, that we did have serious problems with regard to a large number of these NGOs. So, we have now put in place a system whereby the NGOs' viability, the NGOs' sincerity, the fact that it exists, are certified to us by the State Government before we take up these proposals. And since this procedure has been in operation only for a little over an year, I don't think it is yet time to evaluate. But if in evaluation we discover that a further check by the Central Government or through a Central agency at the State level is required, we can certainly do so. But I believe that if State Governments are responsible in this regard, then we will find it.

The other point that I would like to make, especially because I do see that the Prime Minister is here, is that the Rural Development Ministry gets such large sums of money that it is well worth setting up a District Vigilance and Monitoring Committee. But we, in Youth Affairs and Sports, are much less well-endowed. So, perhaps, it is well worth putting up a District Monitoring Committee to look at the small sums of money that we are entitled to disburse.

SHRI SHANTARAM LAXMAN NAIK: Sir, most of these NGOs are registered under a very scanty, old legislation called the Societies Registration Act of 1860 in which there are no provisions for accountability and any NGO can behave in any manner because the Act is very old. When crores of rupees of the Government money are allotted through the NGOs which are registered under such an old Act, I would like to know whether the Government will propose to bring for vard a new exhaustive legislation to register, with detailed provisions pertaining to accountability, registration, etc.

SHRI MANI SHANKAR AIYAR: Sir, the Societies Act like many other Acts has a date that goes back to the 19th century. But several of these have been amended over time and even after our Constitution came into force. So, it is entirely possible to make changes in the Societies Act to meet the kind of objectives that the hon. Member has in mind. But it is not my Ministry that would deal with the Act as a whole. We can only take the Act as prepared by the Ministry concerned and implement it in our Ministry.

SHRI VEDPRAKASH P. GOYAL: Sir, my question to the hon. Minister is whether, for general awareness of the people and for the information of all Members of Parliament in both the Houses, he is going to publish a statement State-wise how much was the allocation, to which NGOs, who are the defaulters and, as has been asked in the main question, what actual action has been taken against the defaulters.

SHRI MANI SHANKAR AIYAR: Sir, my Ministry would have no difficulty in furnishing this information to the hon. Member or, indeed, to all the Members. I have the information, in fact, with me here. But clearly the time of the House cannot be taken in my reading it out here. But we will furnish this information and, if the Chair so directs, we can give it to all Members of Parliament; otherwise, I will

send it to the hon. Member and, perhaps, he would like to follow it up with a further question later.

SHRI S. S. AHLUWALIA: Sir, it will be more convenient if he puts it on the net.

MR. CHAIRMAN: Next question.

SHRI MANI SHANKAR AIYAR: Sir, may I just answer him to say that we will certainly put it on the website and therefore, anybody could access it there. But I will send it directly to the hon. Member who asked the supplementary.

Floors allowed under Master Plan 2021

*162. SHRI MANOHAR JOSHI: Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) the number of floors (excluding Ground Floor) which have been allowed in the Master Plan 2021 in the houses constructed before 1st January, 2007;

(b) if those houses have any additional floors, whether Government are considering to regularize those floors by accepting penalty charges; and

(c) whether Government are also considering regularization of Hanging Projections of those houses by charging penalty amount?

THE MINISTER OF URBAN DEVELOPMENT (SHRI S. JAIPAL REDDY): (a) to (c) A Statement is laid on the Table of the Sabha

Statement

(a) and (b) The Master Plan for Delhi (MPD)-2021, notified on 7.2.2007, *inter alia,* prescribes the Development Control Norms for buildings in residential plotted housing in respect of maximum ground coverage. Floor Area Ratio (FAR) and number of dwelling units for different size of plots. MPD 2021 also prescribes the maximum height of the building in residential plotted housing as 15 metres. Permissible ground coverage and FAR subject to fulfillment of other terms and conditions including maximum height of 15 metres will determine the number of floors which can be constructed on a given size of plot. As per the terms and conditions laid down, plot owners/allottees seeking regularization of construction in terms of additional coverage/additional height are required to pay a penalty, compounding charges and betterment levy or additional FAR chaiges as well as special compounding charges at the rates notified by Government for this purpose. However, this is subject to orders of the Supreme Court.

(c) As for hanging projections, the Delhi Building Bye-Laws, permit certain types of projections into open spaces such as cornice, chajja, weather shade, canopy, balcony and certain types of cantilever strictly within the individual plot. Projections on public land are not permitted.

SHRI MANOHAR JOSHI: Sir, two parts, namely, (a) and (b) of my question have been replied together by the Jon. Minister. I went through the answer given by the hon. Minister, and, unfortunately, I found that my main question has not been replied by the hon. Minister. The main question was, 'if those houses have any additional floors, whether Government are considering to regularise those